Rice Weekly Research Report

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Outlook and Review:

- Rabi crops sowing reached 675 lakh hectares as on 20th January, 2021, the highest level ever. Paddy sowing which was earlier lagging behind has now crossed 30 lakh hectares which was 26 lakh hectares last year. Paddy sowing in Andhra Pradesh has reached to 14.9 lakh hectares compared to 14.84 lakh hectares last year

- Telangana may be the second highest producer of paddy in the country, but when it comes to exports traders from the state prefer to buy paddy at cheaper rates from Chhattisgarh, Bihar and Uttar Pradesh. Local traders said that if the MSP is Rs 1,885 per quintal in Telangana and Andhra Pradesh, it is around Rs 1,650 in other states. The difference in price gives a huge advantage to exporters as well as consumers abroad.

- The Chief Minister of Chhattisgarh demanded the Center to increase the amount and time limit for government procurement of paddy. By January 28, 90 lakh tonnes of paddy were procured from the state, for which 2500 crore rupees were transferred to the farmers. The State Government will have to pay for the purchase above the quantity prescribed by the Center.

- According to the latest figures of APEDA, total rice exports jumped to a peak of 115.98 lakh tonnes during the first nine months of the current financial year i.e. April-December 2020. In comparison, only 64.30 lakh tonnes of rice were exported in the nine months of April to December in the year 2019.

- On the other hand, the export of non-basmati rice is witnessing a spectacular increase. During April-December 2020, the export of general category rice jumped more than double to 35.87 lakh tonnes to 82.17 lakh tonnes as compared to April-December 2019. Although its free on board average unit export offer price has come down from $ 404 per tonne in 2019 to $ 373 per tonne in 2020, but due to the tremendous increase in export volume, export earnings also increased.

- Rice export prices in India rose to their highest level in nearly two years on the back of healthy demand and an appreciating rupee, while a slow harvest squeezed supply and lifted Vietnamese rates. India's 5% broken parboiled variety was quoted at $390-$394 per tonne this week, the highest since March 2019. Last week, prices were at $385-$391.

- Asian and African buyers are aggressively making purchases from India. Even after marginal price rise, Indian rice is far cheaper than Thai rice.

- Vietnam's 5% broken rice rose to $505-$510 per tonne this week from $500-505 last week on tight supplies. Though the winter-spring harvest has started, supplies remain low. Only 5%-6% of the crop has been harvested, and it won't peak until late February or early March.

State wise Wholesale Prices Weekly Analysis for Rice Fourth week January, 2021

State	Prices 24-31 Jan 2021	Prices 16-23 Jan 2021	Prices 24-31 Jan 2020	% Change(Over Previous Week)	% Change(Over Previous Year)
Karnataka	3720.1	3451.39	3629.15	7.79	2.51
Kerala	3478.13	3482.56	3487.27	-0.13	-0.26
Maharashtra	4474.41	3616.71	4292.97	23.71	4.23
Odisha	2722.92	2837.12	2871.98	-4.03	-5.19
Tripura	2896.33	2911.31	2912.18	-0.51	-0.54
Uttar Pradesh	2397.09	2398.92	2697.91	-0.08	-11.15
West Bengal	2734.42	2698.41	2861.01	1.33	-4.42
Gujarat	3837.99	3734.39	4112.94	2.77	-6.68
Jharkhand	2333.33	2344.31		-0.47	__
Uttrakhand			2508.42	__	__
Average	3177.19	3052.79	3263.76		

Prices in Rs/Quintal

Duration	Trend	Average Price Range	Reason
01st Week of Feb, 2021	Steady to Firm	Rs.3200-3700/Quintal	Fresh Arrival starts in many northern states which may pressurize the rice and paddy market; however demand may put support on prices on medium term.

Comparative Rice Varity Prices of Delhi (Naya Bazaar) in Rs./Quintal)

Variety	Today	Week Ago	Month Ago	Year ago	% Change From last week	% Change from last Month	% Change from last Year
	29-Jan-21	22-Jan-21	29-Dec-20	29-Jan-20			
1121 Steam	6300	6350	5900	6100	-0.79	6.78	3.28
1121 Sella	5400	5400	5100	5450	0.00	5.88	-0.92
1121 Raw	6300	6300	6000	6250	0.00	5.00	0.80
Basmati Raw	9200	9200	9000	9100	0.00	2.22	1.10
1509 Steam Wand New	5900	5800	5500	5700	1.72	7.27	3.51
Sugandh Steam	5000	5200	5000	4600	-3.85	0.00	8.70
Sharbati Raw	4700	4700	4300	3400	0.00	9.30	38.24
Pusa Raw Wand	6000	6000	6000	4500	0.00	0.00	33.33
Parmal Sella	3200	3300	3150	3250	-3.03	1.59	-1.54

State wise Progressive Procurement As on 30.12.2020

State	In Marketing season 2020-21	In MY season 2019-20
Andhra Pradesh	*9.22*	*5.73*
Telangana	*27.07*	*21.86*
Bihar	*3.63*	*0.07*
Chhattisgarh	*29.91*	*13.87*
Haryana	*37.60*	*43.07*
Kerala	*1.15*	*1.09*
Madhya Pradesh	*13.53*	*1.32*
Maharashtra	*1.81*	*1.36*
Odisha	*13.30*	*8.45*
Punjab	*135.86*	*108.73*
Tamil Nadu	*3.83*	*0.32*
Uttar Pradesh	*31.83*	*24.00*
Uttarakhand	*6.68*	*6.12*
West Bengal	*0.00*	*--*
All-India	***316.51***	***236.31***

As on 27th November 2020, during KMS 2020-21, Progressive Procurement of Rice was 208.18 lakh MT as compared to 175.20 lakh MT during corresponding period of KMS 2019-20.

IGC Balance Sheet:

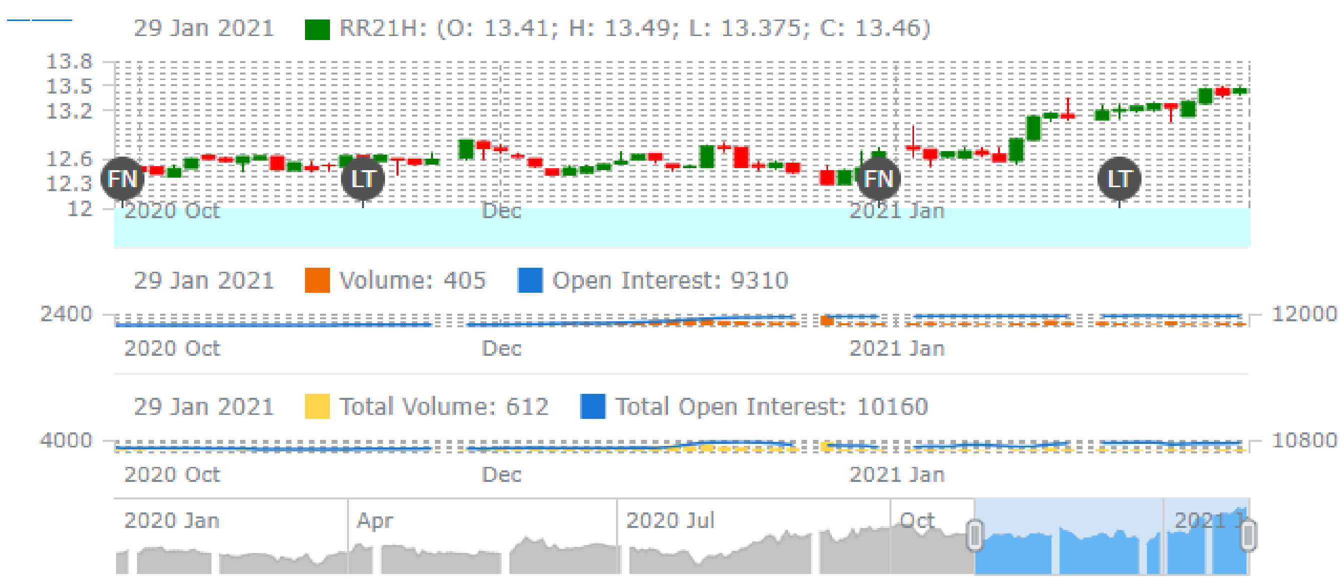
Attributes (Fig in Million Tons)	2017-18	2018-19	2019-20 Est.	2020-21 Forecast 29.10.2020)	26.11.2020
Production	494	498	497	504	503
Trade	46	43	42	45	45
Consumption	485	487	495	501	501
Carryover stocks	165	175	177	178	178
Y-O-Y change	9	10	2	3	3
Major Exporters	32	39	44	44	43

Note: Major exporters are India, Pakistan, Thailand, Vietnam, and United States

Despite weak demand and disruptions to export flows earlier in the year owing to the impact of the COVID-19 pandemic, world **rice** trade in 2020 (Jan/Dec) is expected to be only fractionally lower y/y. This is linked to larger than anticipated shipments in the second half of the season, principally by India. Consumption in 2019/20 is seen reaching a new peak, with gains led by enlarged government food assistance programmes in India, while end-season inventories may be broadly unchanged y/y. Production in 2020/21 is forecast to expand by 6m t y/y, to a high of 503m, including larger outturns in major exporters. World uptake may continue to expand on population growth, while stocks could increase further. Trade in 2021 is anticipated to rebound by 6% y/y, to 45m t, on tentative expectations of stronger demand from importers in sub-Saharan Africa.

Rice Price Trend @ CBOT March- 2021, Rough Rice)

(Prices in US$/hundredweight)



Market Analysis

The CBOT March-21 month rough chart for rice indicates steady to firm tone from last month. We expect market to hover in the range of USD 13.00.80-14.50 hundred weights in coming sessions.

Price Projection (International-CBOT)

Duration	**Trend**	**Price Range**
01st Week of Feb-2021	Steady to Firm	USD/ Hundred Weight 13.00-14.50